

In the Matter of)
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)
Etrali North America, LLC,)
Transferor,)
)
and)
)
IPC Systems, Inc.,)
Transferee,)
)
Application for Approval, as Necessary, for)
Transfer of Control Pursuant to Section 214)
of the Communications Act of 1934, as)
Amended)

WC Docket No. 16-65

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*Counsel for Etrali North America, LLC
and IPC Systems, Inc.*

Dated: March 21, 2016

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

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AMENDED APPLICATION FOR APPROVAL OF TRANSFER OF CONTROL

IPC Systems, Inc. (“IPC Systems”) and Etrali North America, LLC (“Etrali NA”) (together, “Applicants”), pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”),¹ and Section 63.04 of the rules of the Federal Communications Commission (“FCC” or “Commission”),² hereby respectfully request approval for the transfer of control of Etrali NA to IPC Systems, to the extent that the Commission deems such approval to be required. As explained in greater detail below, this transfer of control occurred upon the consummation of a sale and purchase agreement through which IPC Systems, a leading global provider of specialized communications solutions for the financial services community, indirectly acquired control of the complementary business of Etrali NA’s parent company, Etrali S.A. (“Etrali,” and together with Etrali NA, “Etrali Trading Solutions”) (hereinafter, the

¹ 47 U.S.C. § 214.

² 47 C.F.R. § 63.04.

“Transaction”), a leading international provider of compliance and unified communications solutions to the global financial community. The suite of industry-specific hardware, services and trading solutions offered by IPC Systems and Etrali Trading Solutions includes very limited point-to-point private line communications services.

Since the Transaction occurred at the holding company level, it was seamless to customers and will not result in the discontinuance, reduction, loss, or impairment of service to any customer. Indeed, the network-related services provided by Etrali NA, now a wholly-owned subsidiary of IPC Systems, are being integrated into the platform of another wholly-owned, indirect subsidiary of IPC Systems, IPC Network Services, Inc. (“IPC Network Services”). This migration is expected to be completed within several months.

The Transaction will generate significant and meaningful public interest benefits to businesses throughout the United States, and internationally, and is not expected to have any adverse effects on customers. Thus, to the extent required by applicable law, the Commission is respectfully requested to grant approval of this application as being in the public interest.

I. REQUEST FOR STREAMLINED TREATMENT

Applicants respectfully request streamlined treatment of this application pursuant to Section 63.03 of the FCC’s rules.³ The application is eligible for streamlined processing under Section 63.03(b)(2)(i) of the Commission’ rules because: (1) Applicants, together with their subsidiaries, hold less than a 10% share of the interstate, interexchange market; (2) Applicants and their subsidiaries provide local exchange service only in areas served by dominant local

³ 47 C.F.R § 63.03.

exchange carriers, none of which were parties to the Transaction, and (3) neither Applicants nor their affiliates or subsidiaries are dominant with respect to any service.⁴

II. APPLICANTS AND DESCRIPTION OF THE TRANSACTION

A. IPC Systems, Inc. (FRN 0024161481)

IPC Systems, a Delaware corporation, is authorized to provide domestic interstate telecommunications services and global facilities-based and resold international telecommunications services.⁵ IPC Systems, together with IPC Network Services⁶ and other subsidiaries (collectively, “IPC”), provides communications solutions to global trading enterprises, including the world’s largest financial service firms, principally utilizing proprietary trading and communications equipment interconnected via resold private lines or IP-based transport services. IPC typically provides and/or is authorized to provide such services exclusively to business customers in the following jurisdictions: Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Montana, New Hampshire, North Carolina, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington and Wisconsin. IPC provides resold interexchange telecommunications services to its sophisticated financial institution customers as part of the suite of industry-specific service offerings. IPC does not serve residential customers.

⁴ 47 C.F.R § 63.03(b)(2)(i).

⁵ ITC-214-20010817-00425.

⁶ FRN: 0008398166

B. Etrali North America, LLC (FRN 0025284373)

Etrali NA, a Delaware limited liability company, provides (as part of Etrali Trading Solutions) financial trading solutions and technology services to enterprise customers. Etrali NA was, prior to the Transaction, an indirect wholly-owned subsidiary of funds affiliated with The Gores Group.

Etrali Trading Solutions' products and services include resold domestic and international point-to-point private line services, which are offered as part of its suite of trading solutions and services. The states in which Etrali NA offers such services include California, Connecticut, Illinois, Massachusetts, New York, New Jersey, and Texas.

Prior to the Transaction, Etrali NA had regarded itself as an end user of the communications services purchased from wholesale communications providers, which were offered as one of Etrali NA's industry-specific services. Etrali NA was treated as an end user by its wholesale communications providers, which maintained responsibility for assessing applicable regulatory fees and surcharges to Etrali NA and remitting such fees and surcharges to the appropriate governmental authorities. As such, Etrali NA had not registered with the Commission as a telecommunications provider and there was no formal 214 authority to be transferred prior to consummation of the holding company level Transaction. However, now that Etrali NA is part of IPC Systems, consistent with IPC Systems' policy of treating all entities that include private line services as part of their trading solutions service offerings as resellers subject to FCC regulation, Applicants are filing the instant application to memorialize the transfer of control of Etrali NA to IPC Systems.

Through this application, Applicants respectfully request, to the extent the Commission deems necessary, approval for the transfer of control of Etrali NA, including any blanket

domestic 214 authorization, to IPC Systems. Since Etrali NA does not hold any international 214 authorizations, Applicants are concurrently notifying the International Bureau that, pursuant to Section 63.21(h) of the FCC's rules,⁷ Etrali NA will be operating pursuant to the international Section 214 authorization held by IPC Systems.

C. Description of the Transaction

In the Transaction consummated on January 26, 2016, all shares of Etrali Trading Solutions were indirectly acquired by Extra UK Holdings Limited, IPC Systems' indirectly wholly-owned subsidiary, through an acquisition of Gores Knight Holdings (Cayman), LP and Gores Etrali Holdings SAS from funds affiliated with The Gores Group and certain members of Etrali management. Upon consummation of the Transaction, Etrali Trading Solutions became an indirectly wholly-owned subsidiary of Extra UK Holdings Limited, and an indirect wholly-owned subsidiary of IPC Systems. The ownership structure of IPC Systems was not affected by the Transaction. Diagrams showing the relevant pre- and post-transaction structure of Applicants are provided at **Exhibit A**. Following the Transaction, IPC Systems' wholly-owned subsidiary, IPC Network Services, will be integrating the network-related services provided by Etrali NA onto its platform. This migration is expected to be completed within several months. After the migration, IPC Network Services will provide all network-related services to Etrali NA's customers.

⁷ 47 C.F.R. § 63.21(h).

III. PUBLIC INTEREST STATEMENT

The Commission's approval of the Transaction, to the extent the FCC deems such approval to be required, will serve the public interest, convenience, and necessity. IPC has the necessary technical, financial, and managerial qualifications to permit the combined company to continue to provide high-quality services to the pre-existing customers of Etrali NA. Approval of the Transaction will formally memorialize transfer of the resold communications services to an authorized carrier, IPC Systems.

Applicants have complementary businesses that provide state-of-the art technology and services to global finance companies. Approval of the Transaction will enable Applicants to further advance their strategic visions and growth plans to offer the most comprehensive solutions to the global financial community – including companies operating throughout the United States. The Transaction also serves the public interest by providing economic efficiency and economy of scale, which will enhance Applicants' continued viability and competitiveness.

Due to the fact that the change of ownership occurred at the holding company level, the Transaction was seamless to Etrali NA's customers. The Transaction is not expected to have any adverse consequences on Etrali NA's customers (all of which are sophisticated business customers), as such customers will continue to receive the same services they currently enjoy. Approval of this application also serves the public interest by helping to ensure a smooth migration of Etrali NA's communications services by its wholesale vendors to the IPC platform.

In addition, the Transaction serves the public interest because it will result in Etrali NA being a registered reseller. The Transaction also does not present any anticompetitive issues and will not have any adverse effects.

IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES

In support of this request, the following information is submitted as required by Section 63.04(a) of the FCC's rules.

A. The name, address and telephone number of each applicant

Transferor

Etrali North America, LLC
1500 Broadway
Suite 1901
New York, NY 10036
(212) 593-3838

Transferee

IPC Systems, Inc.
1500 Plaza Ten, 15th Floor
Jersey City, NJ 07311
(201) 253-2000

B. Citizenship

IPC Systems, Inc. is a Delaware corporation. Etrali North America, LLC is a Delaware limited liability company.

C. Correspondence concerning the application is to be sent to:

Andrew M. Klein
Susan C. Goldhar Ornstein
1250 Connecticut Ave., N.W., Suite 200
Washington, DC 20036
(202) 289-6955
AKlein@KleinLawpllc.com
SGoldhar@KleinLawpllc.com

Allen C. Zoracki
KLEIN LAW GROUP ^{PLLC}
90 State St., Suite 700
Albany, NY 12207
(518) 336-4300
AZoracki@KleinLawpllc.com

D. Persons or Entities with at Least Ten Percent (10%) Equity Interest

Etrali NA is wholly-owned (100%) by Etrali S.A., which is indirectly wholly-owned (100%) by Extra UK Holdings Limited, and is also an indirect wholly-owned (100%) subsidiary of IPC Systems.

Etrali S.A., a limited company organized in France with offices located at 15 Rue Henri Rol-Tanguy, 93100 Montreuil, offers Etrali Trading Solutions' industry-specific services exclusively to companies operating outside of the United States. Etrali S.A. is indirectly wholly-owned (100%) by Extra UK Holdings Limited.

Extra UK Holdings Limited, a private limited company organized in the United Kingdom with offices located at Tower House, 67-73 Worship Street, London, EC2A 2DZ, is a holding company whose principal business does not involve telecommunications services. Extra UK Holdings Limited is indirectly wholly-owned (100%) by IPC Information Systems Services, Inc.

IPC Information Systems Services, Inc., a Delaware corporation with offices located at Tower House, 67-73 Worship Street, London, EC2A 2DZ, is a holding company whose principal business does not involve telecommunications services. IPC Information Systems Services, Inc. is owned approximately 83% by IPC Systems and 17% by Gains Acquisition Corp.

Gains Acquisition Corp., a Delaware corporation with offices located at 1500 Plaza Ten, 15th Floor, Jersey City, New Jersey 07311, is a holding company whose principal business does not involve telecommunications services. Gains Acquisition Corp. is owned 92% by Westcom Holding Corp. and 8% by IPC Systems. Westcom Holding Corporation, a Delaware corporation with offices located at 1500 Plaza Ten, 15th Floor, Jersey City, New Jersey 07311, is a holding company whose principal business does not involve telecommunications services. Westcom Holding Corporation is wholly-owned (100%) by IPC Systems.

IPC Systems is wholly-owned (100%) by IPC Systems Holdings Corp., a Delaware corporation with headquarters located at 1500 Plaza Ten, 15th Floor, Jersey City, New Jersey 07311. IPC Systems Holding Corp. is a holding company whose principal business does not involve telecommunications services. IPC Systems Holdings Corp. is wholly-owned (100%) by IPC Corp.

IPC Corp., a Delaware corporation with headquarters located at 1500 Plaza Ten, 15th Floor, Jersey City, New Jersey 07311, is in the business of providing financial trading services. IPC Corp. is wholly-owned (100%) by Ivy Acquisition Holdings Inc.

Ivy Acquisition Holdings Inc., a Delaware corporation with offices located at 1500 Plaza Ten, 15th Floor, Jersey City, New Jersey 07311, is a holding company whose principal business does not involve telecommunications services. Ivy Acquisition Holdings Inc. is wholly-owned (100%) by Ivy Acquisition Super Holdings Inc.

Ivy Acquisition Super Holdings Inc., a Delaware corporation with offices located at 1500 Plaza Ten, 15th Floor, Jersey City, New Jersey 07311, is a holding company whose principal business does not involve telecommunications services. Ivy Acquisition Super Holdings Inc. is wholly-owned (100%) by Ivy Acquisition Parent Inc.

Ivy Acquisition Parent Inc. is a Delaware corporation with offices located at 1500 Plaza Ten, 15th Floor, Jersey City, New Jersey 07311. Ivy Acquisition Parent Inc. is a holding company whose principal business does not involve telecommunications. Ivy Acquisition Parent Inc. is majority-owned by Centerbridge Capital Partners II, L.P. (“Centerbridge”). Centerbridge, a limited partnership organized under the laws of the State of Delaware, has offices at 375 Park Avenue, 12th Floor, New York, New York, 10152. Centerbridge is an institutional investment company, focusing in the areas of private equity and credit investment opportunities.

The ownership of Centerbridge is widely distributed and no investor holds 10% or more of the ownership interests. Centerbridge is managed by its general partner, Centerbridge Associates II, L.P., a Delaware limited partnership, with offices at 375 Park Avenue, 12th Floor, New York, New York, 10152. The principal business of Centerbridge Associates II, L.P. is serving as the sole general partner of Centerbridge and certain related investment vehicles. Centerbridge Associates II, L.P. is managed by its general partner, CCP II Cayman GP Ltd., a Cayman exempted company. The directors of CCP II Cayman GP Ltd. are Mark T. Gallogly and Jeffrey H. Aronson (collectively the “Directors”). Each of the Directors is a United States citizen with a business address at 375 Park Avenue, 12th Floor, New York, New York, 10152. The present principal occupation of each of the Directors is serving as a managing member of CCP II Cayman GP Ltd. and affiliated entities.

E. Federal Benefits/Anti-Drug Abuse Act of 1988 Certification

Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the FCC’s rules,⁸ that they are not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.⁹

F. Description of the Transaction

The Transaction is described in Section II of this application.

G. Description of the Geographic Service Areas and Services in Each Area

Descriptions of the geographic service areas and the services provided by Applicants are set forth in Section II of this application.

⁸ 47 C.F.R. §§ 1.2001-1.2003.

⁹ 21 USC § 862.

H. Presumption of Non-Dominance and Qualification for Streamlined Treatment.

This application qualifies for streamlined treatment for the reasons set forth above in Section I.

I. Identification of all other Commission applications related to the same transaction

No other applications related to the Transaction have been filed. Concurrent with this application, Applicants are filing notice with the International Bureau that, pursuant to Section 63.21(h) of the FCC's rules, Etrali NA will be providing international private line services utilizing the international Section 214 authorization held by IPC Systems.¹⁰

J. A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure

Applicants are not requesting special considerations.

K. Identification of any separately filed waiver requests being sought in conjunction with the transaction

No separate waiver requests are being sought in conjunction with the Transaction.

L. A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets

The Transaction serves the public interest, convenience, and necessity for the reasons set forth in Section III of this application.

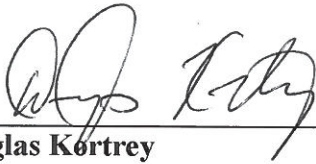
¹⁰ 47 C.F.R. § 63.21(h).

V. CONCLUSION

For the reasons set forth above, the public interest, convenience and necessity would be furthered by approval of this application, and Applicants respectfully request such approval.

Respectfully submitted,

ETRALI NORTH AMERICA, LLC

A handwritten signature in black ink, appearing to read 'Douglas Kortrey', written over a horizontal line.

Douglas Kortrey
Vice President and Secretary

IPC SYSTEMS, INC.

A handwritten signature in black ink, appearing to read 'Douglas Kortrey', written over a horizontal line.

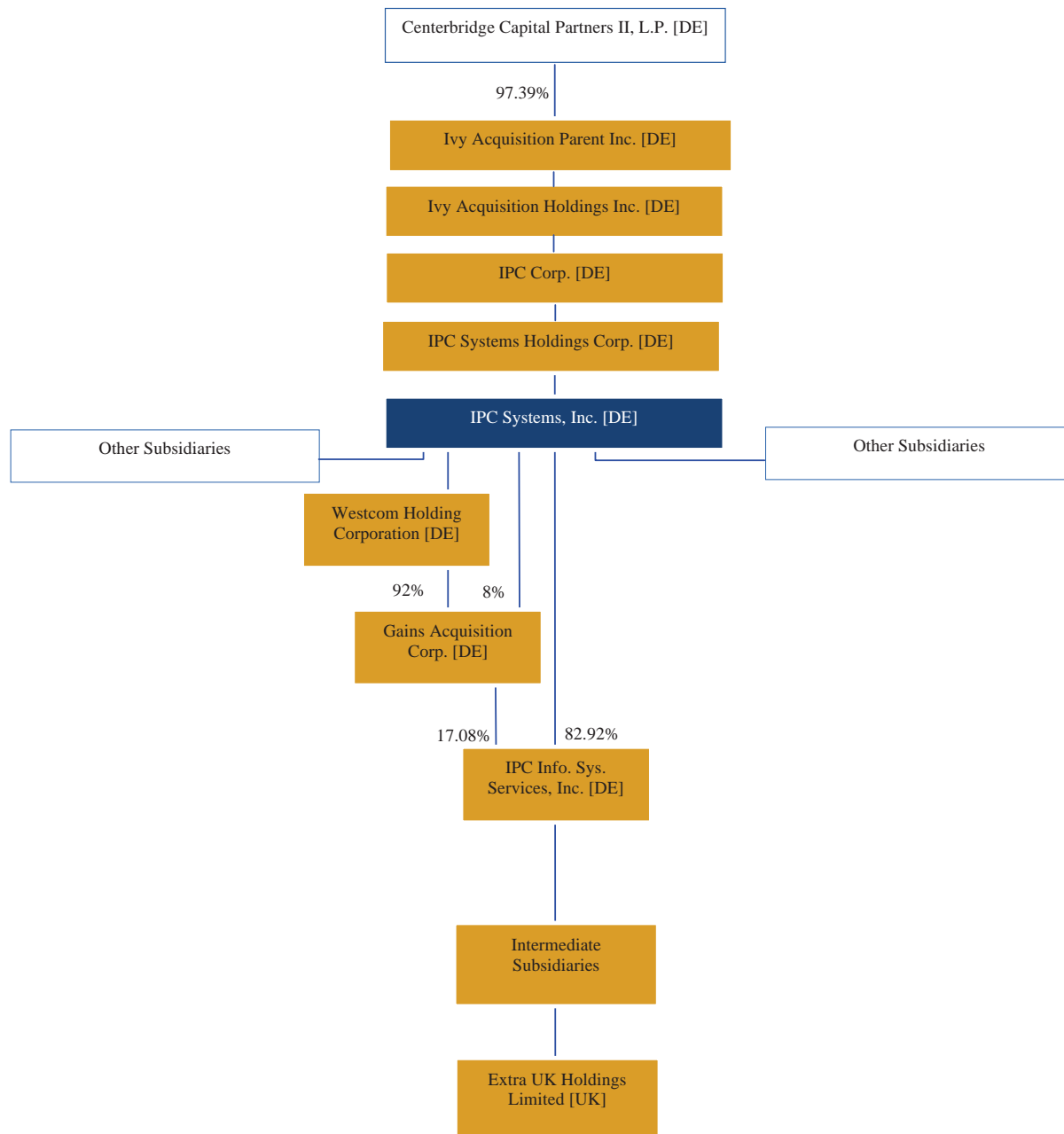
Douglas Kortrey
Vice President and Secretary

EXHIBIT A

Pre- and Post-Transaction Organizational Charts

IPC Pre-Transaction Organizational Chart

September 30, 2015

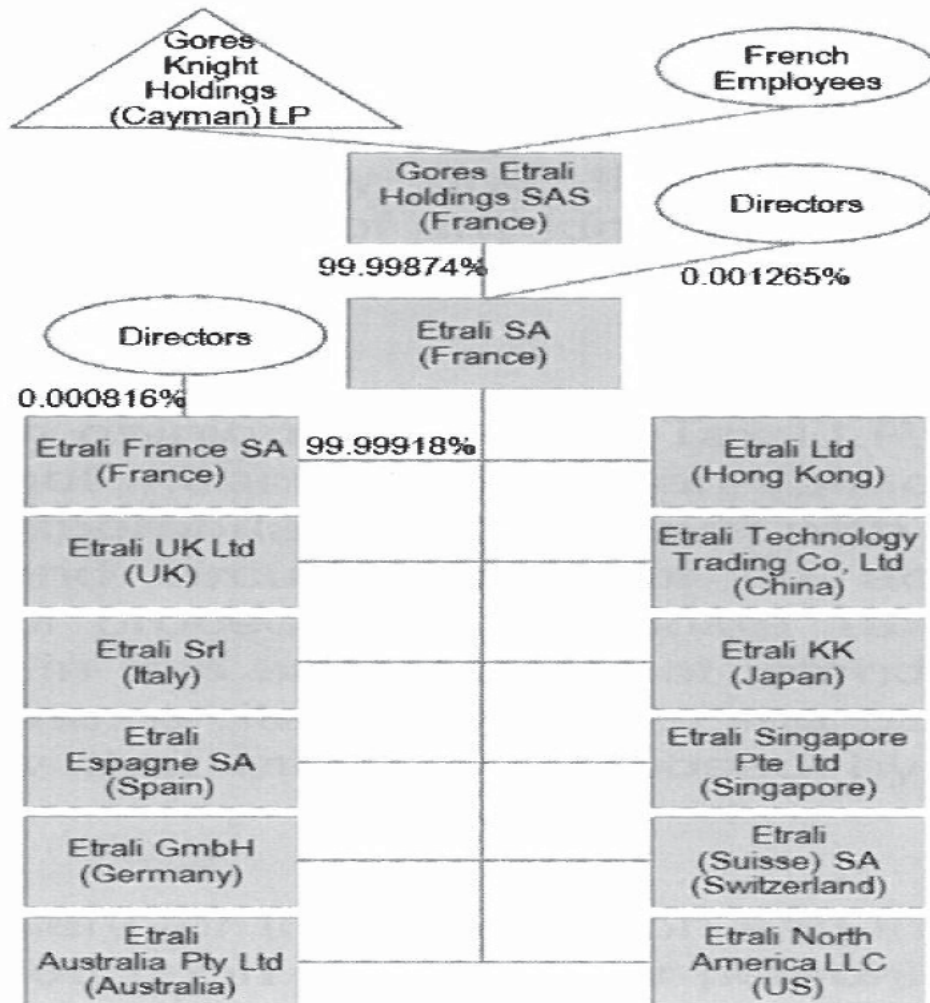


Legend :

- Holding company
- Operating company

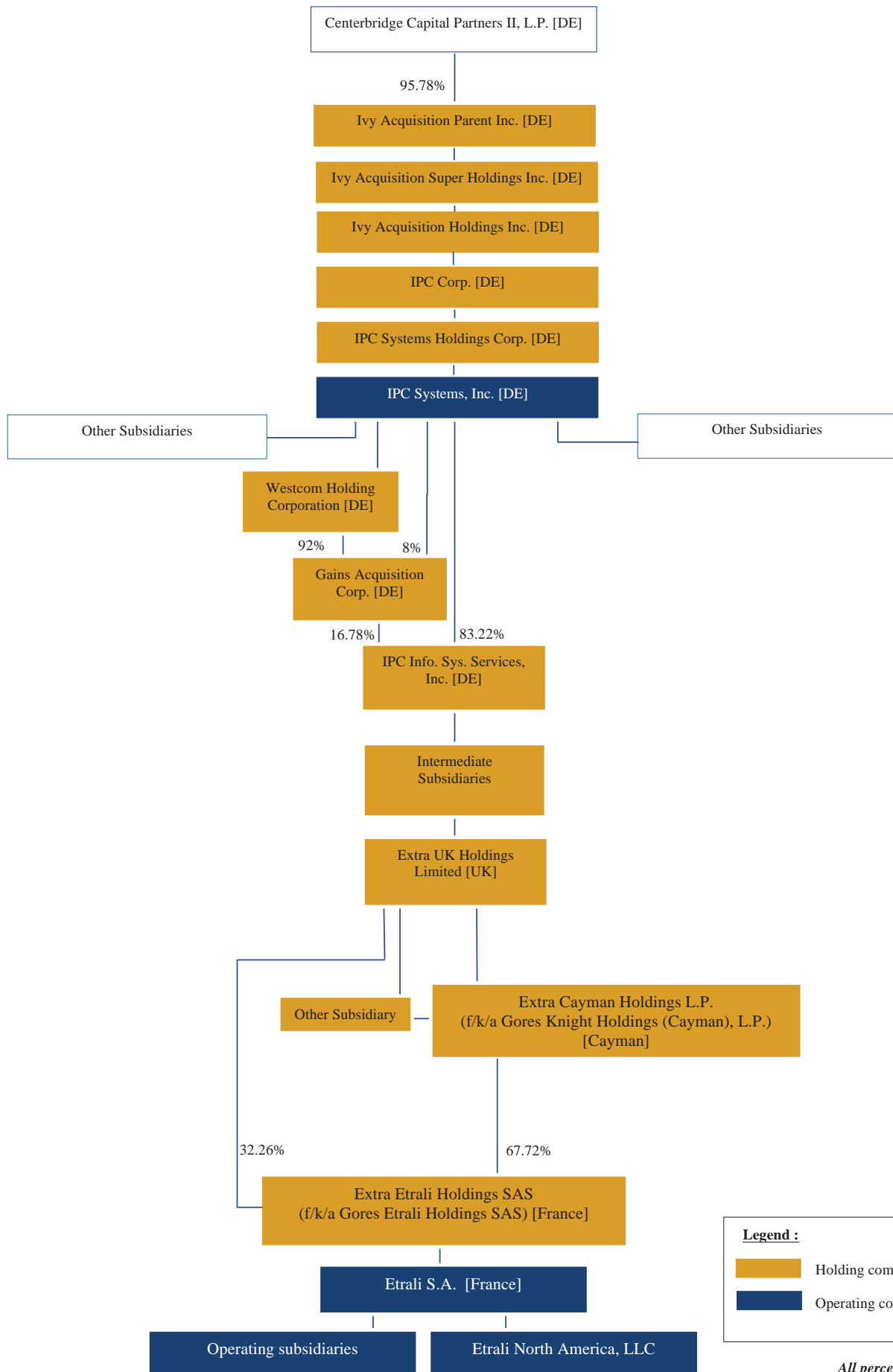
All percentages in the structure chart above are approximate percentages.

Etrali NA Pre-Transaction Organizational Chart



Post-Transaction Organizational Chart

February 25, 2016



All percentages in the structure chart above are approximate percentages.